GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Water Resources Deptt. – System improvements – Addition of Overhead Charges and Contractor's Profit on Seigniorage Charges – Certain instructions – issued.

WATER RESOURCES (REFORMS) DEPARTMENT

G.O.MS.No. 83 Dated:05-08-2015.

Read the following:-

1. Govt.U.O.Note.No.12414/Ser.VII(V&E)/A1/2012-2&3, dt:17.7.2012 and 11.10.2012.
2. Govt.Memo.No.15805/Reforms/A1/2012,dt:18.7.2012 &17.10.2012.
3. From the E.N.C.(Irr.),Hyderabad, Lr.No.ENC(I)/DCE.I/OT8/AEE.5/ SIN/2012, dated: 05-11-2012.
4. Govt.Memo.No.15805/Reforms/A1/2012, dt:26.11.2014.
5. From the E.N.C.(Irr.), Hyd., Lr.No.ENC(I)/DCE(GDS)/OT2/AEE4/ V&E/Over head charges, dated:04.01.2015.
6. Govt.Memo.No.15805/Reforms/A1/2012, dt:30.03.2015.
7. From the E.N.C.(Irr.), Hyd., Lr.No.ENC(I)/EE/DEE3/AEE6/V&E/Over head charges, dated:11.05.2015.

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ORDER:

In the reference 1st read above, the Vigilance & Enforcement Department, during verification of data of various items of works, observed that overhead charges & Contractor's Profit are added to the seigniorage charges during preparation of estimates to arrive at the cost of each item of work where sand, metal, earth, gravel etc., are used. But, deduction is being made from the bills of the Contractor for the actual seigniorage charges approved by Government without deducting Overhead charges & Contractor's Profit which were added during preparation of estimates causing excess payments to the Contractors and also recommended to issue necessary guidelines i) where to add seigniorage charges in the estimates of works so that overhead charges & Contractor's profit will not be operated on seigniorage charges and ii) Adopt a uniform mechanism for not operating tender premium on seigniorage charges. The Vigilance & Enforcement Department has requested to issue necessary instructions to Engineer-in-Chief to place the matter before Board of Chief Engineers for implementation of said instructions.

2. In the reference 7th read above, the Engineer-in-Chief(Irrigation), Hyderabad has furnished the report stating that matter has been discussed in the Board of Chief Engineers meeting and the Committee has opined that "the suggestion of Vigilance and Enforcement Department to exclude the Seigniorage charges from the basic rates in arriving the Unit Rates so that Overhead Charges & Contractor's Profit will not be operated on Seigniorage Charges is acceptable". Further, the Committee has recommended that "the Seigniorage charges may be moved to the Part-B of the estimate where other statutory provisions like VAT, Labour Cess etc., are being made to the estimate. The Seigniorage charges will be booked to the work and the actuals will be deducted from the contractor's bill at the time of payment as is being done for VAT, Labour Cess etc., and reimbursed. Whenever seigniorage rates are revised by the Government, the same may get incorporated in Revised Estimates of the concerned works".

P.T.O.,

3. Government after careful examination of the matter, hereby accept the recommendations of Board of Chief Engineers and to instruct the concerned Chief Engineers "to exclude the Seigniorage charges from the basic rates in arriving the Unit Rates so that Overhead Charges & Contractor's Profit will not be operated on Seigniorage Charges is acceptable". Further, "the Seigniorage charges shall be moved to the Part-B of the estimate where other statutory provisions like VAT, Labour Cess etc., are being made to the estimate. The Seigniorage charges shall be booked to the work and the actuals shall be deducted from the contractor's bill at the time of payment as is being done for VAT, Labour Cess etc., and reimbursed. Whenever seigniorage rates are revised by the Government, the same shall be incorporated in Revised Estimates of the concerned works".

4. The Engineer-in-Chief(Irrigation), A.P., Hyderabad shall take necessary action in the matter, accordingly.

5. This order issues with the concurrence of Finance(W&P-I) Department vide their U.O.No.9118/71/W&P-I/2015, dt:30.06.2015.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

ADITYA NATH DAS,
PRINCIPAL SECRETARY TO GOVERNMENT.

To
The Engineer-in-Chief(Irrigation), Water Resources Department,
Jalasoudha Buildings, Errum Munzil, A.P., Hyderabad.
The Engineer-in-Chief(AW), Water Resources Department,
Jalasoudha Buildings, Errum Munzil, Hyderabad.
All the Chief Engineers in Water Resources Department.
Copy to:
The Accountant General, A.P., Hyderabad.
The Commissioner, Commissionerate of Tenders, A.P., Hyd.
The General Administration (V&E) Department.
The Water Resources [Vig.II.(V&E)A1] Department.
The Finance(W&P-I) Department.
The TR&B Department.
The PR&RD Department.
The MA&UD Department.
The P.S. to Minister(WRD).
The P.S. to Principal Secretary to Govt.(WRD).
The P.S. to Secretary to Govt.(Irrigation).
The D.D.(M), W.R. Deptt., L-Block, A.P.Secretariat, Hyd.
All officers/All Sections in Water Resources Department.
SF/SC.

//FORWARDED :: BY ORDER//

SECTION OFFICER.